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SIPDIS

USDOC FOR 532/OEA/LHINES/DFARROW  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM  
ZARIT  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A  
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)  
SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: APS  
Paintball Ltd.  
REF: A) USDOC 00886 B) EXP.LIC. D370258

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO), conducted a pre-license check (PLC) at APS Paintball Ltd., Blk B, 22/F, 77-87 Wang Lung St., Richwealth Industrial Building, Tsuen Wan, Hong Kong (APS). The purpose of the PLC was to determine the suitability of APS to be the recipient of various C-More gun sights. The items (ECCN 0A987) are valued at approximately USD \$14,000 and are controlled for crime control (CC) reasons. The license applicant is C-More Systems of Manassas, Virginia.

¶3. According to the Hong Kong Companies Registry, APS Paintball Limited has been in existence since March, 2003 (previous name APS Paintball Supply Limited). Mr. Chi Keung Lee (Hong Kong resident) and Mr. Guodong Liang (mainland Chinese national) are listed as directors. The registered address is the primary business location of the company.

¶4. On February 6, 2006, the ECO visited APS at the address above and met with Mr. Chi Keung Lee, Sales and Marketing Director. Mr. Lee described the business of APS as the provision of paintball guns and related supplies to Hong Kong customers as well as other customers in the United States and elsewhere. Approximately 60-70% of sales are exports to the United States. The paintball guns are produced in mainland China. APS has a branch office in the United States serving the U.S. market (including the law enforcement market). All information provided by Mr. Lee was consistent with information on the company's web site ([www.apstram.com](http://www.apstram.com)).

¶5. Mr. Lee stated that APS intends to use the items that are subject to the license on paintball guns for sale within Hong Kong and for export back to the United States (as part of a package deal). He stated that he presently uses Aimpoint sights for this purpose that he imports from Sweden but those sights are substantially more expensive than the C-More units. Other sights produced in mainland China are much less expensive but not as highly sought by his

customers.

¶6. Mr. Lee stated that he understands the sights may not be reexported into mainland China and may require additional licenses if reexported to other destinations. He stressed that he does not export his products back into mainland China because of the very strict licensing rules for guns in China (he stated that, in mainland China, paintball guns are subject to the rigorous licensing rules that govern real guns). Mr. Lee was keen to comply with U.S. export restrictions and requested additional information concerning restricted destinations and end-users. ECO provided BIS guidance on reexports and other contact information.

¶7. APS was very forthcoming during the PLC visit. Mr. Lee provided information on the underlying transaction and provided the ECO information concerning his business and his intent to comply with U.S. export controls. The ECO recommends that this PLC be considered Favorable.  
Cunningham